

**U.S. Department of the Interior
Bureau of Land Management
Billings Field Office
5001 Southgate Drive
Billings, MT 59101**

**Decision Record and Leasing Recommendation
DOI-BLM-MT-0010-2012-21-EA**

Decision:

It is my decision to implement the Proposed Action as identified in the Billings Field Office Oil and Gas Leasing Environmental Assessment (EA) DOI-BLM-MT-0010-2012-21-EA in which 38 parcels (12,868.78 acres of Federal minerals) would be offered for lease at the October 23, 2012 competitive sale; with the exception that the following parcels be deferred due to MT FWP comments indicating the re-evaluation of greater sage-grouse core area boundaries: MTM 102757-AJ, CF, CA, BR, BV, BX, BM, BL and MTM 97300-3M, 3J, 3H, 98, 3G, 3E, and 9V. Additionally, a public protest identified two portions of parcels, MTM 102757-WD and WE that were within ½ mile of Meadow Creek, a stream identified as Yellowstone Cutthroat trout suitable recovery habitat. Five aliquot parts of these parcels will be deferred to conform to this finding. With these exceptions, 23 parcels (8,795.83 acres of Federal minerals) would be offered for lease at the October 23, 2012 competitive sale. Competitive leases will be issued for parcels sold at the sale, and noncompetitive leases may be issued for applications filed during the 2-year period following the sale. The remaining 171 parcels containing approximately 76,445.35 acres in whole or part would be deferred because they provide valuable wildlife habitat or are in areas under consideration for designation as Areas of Critical Environmental Concern and are pending further review in the Billings Field Office Resource Management Plan.

Authorities:

The authority for this decision is contained in 43 CFR 3100.

Compliance and Monitoring:

Should the parcels be developed, monitoring may be required and would be addressed and analyzed under future NEPA documentation.

Terms, Conditions, and Stipulations:

For all parcels, standard terms and conditions, as well as the lease notices and stipulations identified by parcel in Appendix A of the EA, would apply and be attached to the lease parcel(s).

Plan Conformance and Consistency:

The proposed action and alternatives have been reviewed and found to be in conformance with the following BLM plans and associated Record of Decision(s): Billings Resource Management Plan (RMP) (September 1984) and accompanying Environmental Impact Statement (EIS), as amended by the 1992 Oil and Gas RMP Amendment and FEIS (1994 Record of Decision); and the 2008 Final Supplement to the Montana Statewide Oil and Gas EIS and Proposed Amendment of the Powder River and Billings RMPs (FSEIS).

Alternatives Considered:

No Action Alternative. The No Action Alternative would exclude all 23 parcels nominated through expressions of interest (EOI) from the lease sale. Surface management would remain the same and ongoing oil and gas development would continue on surrounding Federal, private, and state leases.

BLM Preferred Alternative. The Proposed Action, after addressing all comments, would be to offer 23 parcels (8,795.83 acres of Federal minerals) for competitive and/or noncompetitive lease issuance. The lease parcels to be offered are located within the Billings Field Office and are dispersed across Carbon and Stillwater Counties. Standard terms and conditions, as well as stipulations identified in Appendix A of the EA would apply.

Alternatives Considered, but eliminated from further analysis: 171 parcels containing approximately 76,445.35 acres of Federal minerals acres in whole or part would be deferred from the upcoming lease sale. More specifically, the 171 nominated parcels (or parts there-of) are located within or immediately adjacent to the state of Montana sage grouse core areas, within close proximity to Yellowstone Cutthroat Trout suitable recovery habitat, or in areas under consideration for designation as Areas of Critical Environmental Concern and being analyzed in the ongoing Billings Field Office RMP effort.

Public Comments:

This EA was made available for a 30-day public comment period which ended on June 19, 2012. Two written comment letters were received during the 30-day comment period from the public and after an internal review of the EA, some modifications have been made to the EA. Changes made to the analysis are noted with gray-scale shading and/or strikeout so the modifications to the EA can easily be identified. Refer to Chapter 5 of the updated EA for a summary of public participation and changes made to the EA. Final parcel numbers and acreages are indicated in this decision record, acknowledging final adjustments to leasable acres from appropriate deferrals as comments and protests were addressed.

The Attorneys at Law of Guthals, Hunnes & Reuss, P.C., on behalf of Ms. Holman Morse, submitted a timely protest (via fax) on August 23, 2012, followed by hard copy received August 24, 2012 to the inclusion of 2 parcels (identified as MTM 102757-WD and MTM 102757-WE) in the October 2012 lease sale. The BLM responded to the elements described in the protest and dismissed the requested relief. The BLM did acknowledge approximately 200 additional acres in two parcels were appropriate to defer given proximity to Yellowstone cutthroat trout suitable recovery habitat, as indicated in the protest letter. These acres are reflected in the totals described in this decision record. The BLM, in accordance with existing regulations and policies, will issue leases for all the lands receiving competitive bids or noncompetitive offers included on the October 23, 2012 Oil and Gas Lease Sale Notice.

Rationale for the Decision:

The decision to approve the BLM Proposed Action is based on the following: 1) consistency with resource management and land use plans; 2) national policy; 3) agency statutory requirements; 4) relevant resource issues; and 5) application of measures to avoid or minimize environmental impacts.

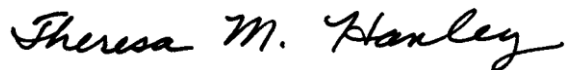
1. The decision is in conformance with the Billings Resource Management Plan (RMP) (September 1984) and accompanying Environmental Impact Statement (EIS), as amended by the 1992 Oil and Gas RMP Amendment and FEIS (1994 Record of Decision); and the 2008 Final Supplement to the Montana Statewide Oil and Gas EIS and Proposed Amendment of the Powder River and Billings RMPs (FSEIS).
2. It is the policy of the Bureau of Land Management (BLM) as derived from various laws, including the Mineral Leasing Act of 1920, as amended [30 U.S.C. 181 *et seq.*] and the Federal Land Policy and Management Act of 1976, to make mineral resources available for disposal and to encourage development of mineral resources to meet national, regional, and local needs.
3. The decision is consistent with all Federal, state, and county authorizing actions required for implementation of the Preferred Alternative.
4. Standard terms and conditions as well as special stipulations would apply. Lease stipulations (as required by Title 43 Code of Federal Regulations 3101.1-3) were added to each parcel as identified by the Billings Field Office to address site specific resource concerns or new information not identified in the planning process.

Recommended by:



James M. Sparks, Field Manager
Date October 15, 2012

Approved by:



Theresa M. Hanley, Deputy State Director, Division of Resources
Date October 19, 2012